

# SPEECH

OF

Honorable SERGIO OSMEÑA  
VICE PRESIDENT OF THE PHILIPPINES

DELIVERED AT THE ROTARY DISTRICT  
CONFERENCE DINNER, BAGUIO  
COUNTRY CLUB, FEBRUARY 23, 1940



MANILA  
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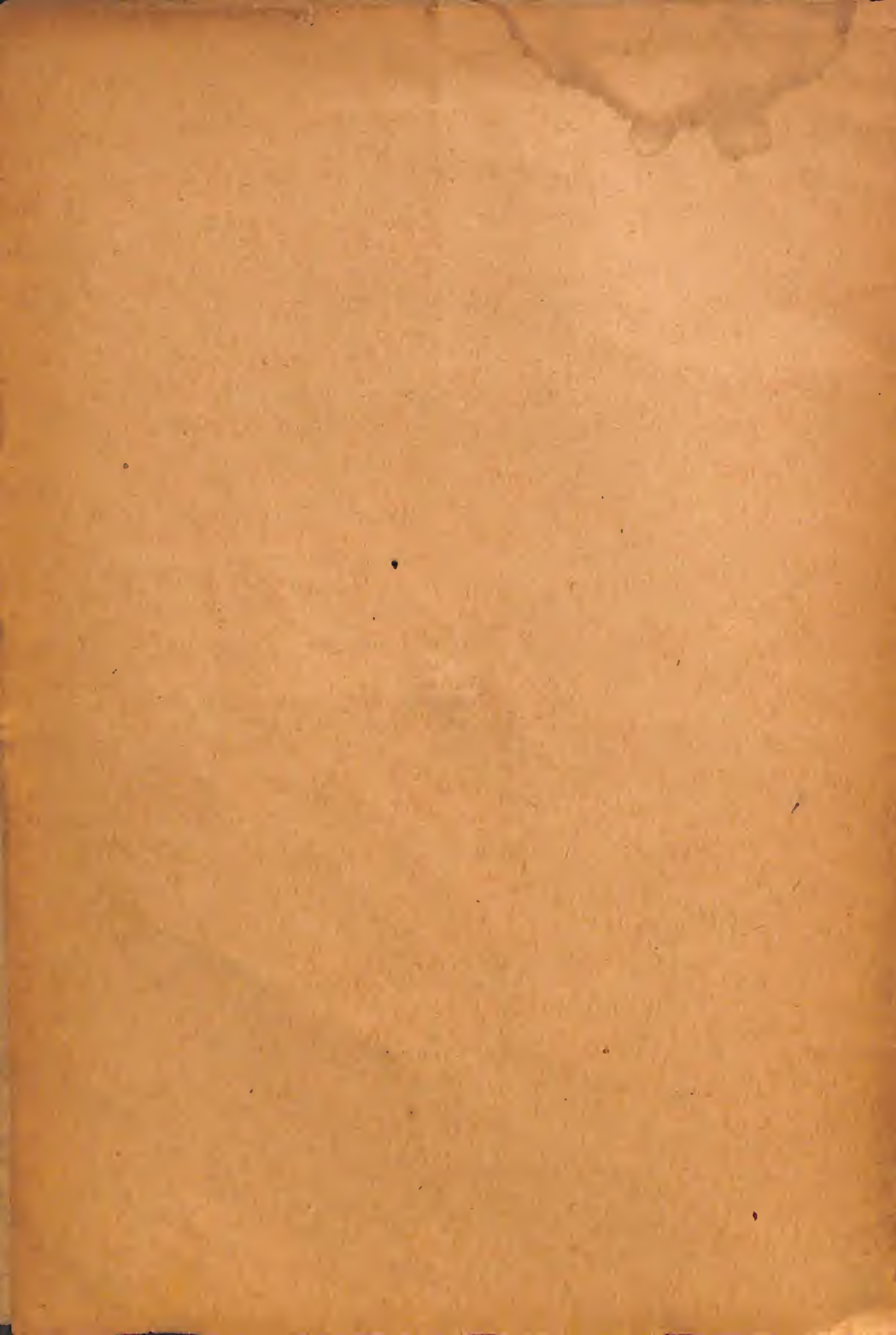
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**SPEECH DELIVERED BY HONORABLE SERGIO OS-  
MEÑA, VICE PRESIDENT OF THE PHILIPPINES,  
AT THE ROTARY DISTRICT CONFERENCE DIN-  
NER AT THE BAGUIO COUNTRY CLUB, ON FRI-  
DAY EVENING, FEBRUARY 23, 1940.**

*Governor Hall, Representative Romulo, Ladies and  
Gentlemen:*

I deeply appreciate your kind invitation to address this Rotarians' Conference. I have always felt a warm admiration for the international and cosmopolitan character of your organization. There is something in the spirit that moves you and in the ideals of your institution which appeals to men of goodwill, to those who believe in the practicability of association and co-operation among peoples, regardless of race, creed or political professions. This something is embodied in the magnificent motto of the Rotary which is condensed in a simple but meaningful word: Service. This is the motto written on your flag, the motto which makes of Rotary one of the most efficient human instruments to foster the spirit of understanding, of harmony and of solidarity among men all over the world. Service to his fellow-being; service to mankind; service to promote the common, vital interests in all climes; such lofty ideals make of Rotary one of the institutions of greatest utility to the cause of progress.

As service is the high ideal of Rotarians, it seems that my remarks on this occasion could appropriately bear on what has been accomplished by the Com-



monwealth Government of the Philippines in so far as such accomplishments mean service to the people of these Islands.

I propose to review the major problems of the Philippine Commonwealth, setting them against the background of the previous regime under the Jones Act, considering them in the light of the difficulties we have had to meet, indicating to what extent they have been solved, and briefly outlining what remains to be accomplished.

The Commonwealth period was meant to bring into final fruition the plans that had been traced and partly carried out for the emancipation of the Philippines. Its purpose was to continue the work that has been undertaken toward this end and, if necessary, to initiate new activities calculated to complete the preparation for the advent of the Republic. A mere decade in length, it was intended to afford the Filipino people a chance to gear themselves completely to the requirements and responsibilities of independence. Under the guidance of His Excellency, President Manuel L. Quezon, whose leadership, statesmanship and powerful personality have been the source of inspiration to us all, we have, I believe, acquitted ourselves creditably and in such a manner as to make perfectly clear our determination to move forward and carry out the present fixed program of independence.

Let me step back with you now to the period of our recent past so that we may view together the situation towards the end of the year 1935 when the Philippine Commonwealth was inaugurated. For this purpose, we can do no better than to view the scene



from the vantage ground held by the Hon. Frank Murphy, the last American Governor-General and the first United States High Commissioner to the Philippines. In his last address to the Philippine Legislature as Governor-General, he stated that in 1935 two-thirds of the children of primary school age were in the schools; that the country possessed "a modern system of courts and judicial procedure"; that "the increasing homogeneity in the population is not a mere altruistic hope"; that in "the steady advance in the art of democratic and constitutional government, toward the ultimate goal of complete independence," the Filipinos had achieved "the crowning event" of framing and adopting "under the terms of the Tydings-McDuffie Act," a "permanent constitution . . ."

This was the general result of Philippine-American collaboration of three and a half decades, during which the Filipinos' part gradually increased from a negligible measure at the inauguration of civil government in 1901 to practical self-government in 1935 when the Legislature and almost the whole of the Judiciary were entirely in Filipino hands, and with the Governor-General remaining at the head of the government. The history of the gradual extension of self-government to the Filipinos is familiar to all of you and need not be dealt with here.

The appraisal of Governor-General Murphy of the achievements up to that time in the joint enterprise of nation-building was universally acknowledged, and President Quezon, in his inaugural address, announced:

"We do not have to tear down the existing institutions in order to give way to a statelier structure. There will be no violent changes



from the established order of things, except such as may be absolutely necessary to carry into effect the innovations contemplated by the Constitution. A new edifice shall arise, not out of the ashes of the past, but out of the standing materials of the living present."

Faithful to this pledge, the President forthwith settled down to the task of accomplishing the purpose of the Commonwealth, "an instrumentality placed in our hands to prepare ourselves fully for the responsibilities of complete independence." The existing set-up, indeed, was not only sound but so devised as to be capable of further growth and development. Especially was this true in the sphere of education, health, public works, justice, and in the maintenance of peace and order.

In these particular fields of constructive statesmanship, the policy of the Commonwealth has been generally one of further growth and expansion. Since the establishment of the Commonwealth no effort has been spared to increase and extend the educational facilities specially those for primary instruction. At the close of the school year last March there were 1,746,452 students in the public schools—the largest enrolment in the history of the Philippines. To accommodate all these students, it was necessary for the government to maintain about eleven thousand schools and to employ more than thirty-eight thousand teachers. For the current school year, the Government has made available an additional amount of more than three million pesos with which to provide primary instruction to numberless children who were heretofore unable to gain admission to the public schools. At the

same time that educational facilities for primary instruction were being extended, the Government vigorously tried to solve the problem of illiteracy. With the help of numerous volunteer workers almost 200,000 men and women were taught how to read and write and to understand the simple duties which they, as citizens, have to perform in their respective communities. The educational objective has been redefined. "Our system of public education," the President urged in his message to the National Assembly on June 16, 1936, "must be inspired in Filipino patriotism and consecrated to the formation of citizens of high moral character and civic virtues. It must equip our citizens with social and vocational efficiency not only for their own benefit but that they may the better serve the State. We must provide every child of school age the opportunity to receive primary instruction." To insure the carrying out of at least the last objective, primary education was made the responsibility of the National Government. The President created the National Council of Education to advise on educational problems and appointed the late Rafael Palma, an outstanding statesman and educator, to head this important body. With two eminent American educators as consultants, he initiated the reorganization and the transfer of the University of the Philippines to a new site in Diliman. These fundamental reforms affecting the entire range of the educational system are now being carried out as fast as existing conditions and available resources will permit.

A similar achievement has been recorded in the field of public health. Just as universality became the immediate educational objective, so the expansion of



the public health service to the remote barrios became a pressing urge. The high state of national health has been maintained by the extension of the public health administration inherited by the Commonwealth from the previous regime. Traveling clinics are now visiting with regularity even the most distant rural districts. Puericulture centers and maternity hospitals have increased. General hospitals have also been built in centers of population heretofore lacking in health facilities of this nature. The service has been so expanded that upon the President's recommendation, the National Assembly recently passed a law authorizing the creation of an independent Department of Health and Public Welfare. To improve the diet of the masses and coördinate food crops and dietary needs, the establishment of a national nutrition institute is being contemplated.

Public works have been accelerated in pace not only because more roads and bridges, especially in places like Mindanao, are among the most urgent needs of the country but also because the jobs thus created have helped to solve the problem of widespread unemployment. Travel has been greatly facilitated by the construction of eighty-three bridges at a cost of approximately five and a half million pesos and by the addition of fifty-one hundred kilometers to the road system in which nearly thirty-eight million pesos have been invested. Three million pesos have been spent for one hundred sixty kilometers of concrete pavement on these routes subjected to heavy traffic. No doubt, you all are familiar with the work now in progress to improve traffic conditions in Manila by the construction of additional bridges across the Pasig River



and new and wider streets and boulevards. Already some units of the long-projected government center are nearing completion. Commerce has been materially benefited by the expenditure of nearly fifteen million pesos for the improvement of our ports and harbors.

Considerable improvement in the administration of justice has been accomplished by the creation of the Court of Appeals and the Court of Industrial Relations and the appointment of more cadastral judges. Significant reforms in the courts' rules of procedure which promise to simplify and speed up litigation have been promulgated by the Supreme Court. Special attention has also been given to the improvement of the justice of the peace courts not only by requiring that none but attorneys-at-law with sufficient experience may be appointed thereto but also by constant administrative check-up on the operation of inferior courts.

In spite of the sporadic and isolated outbreaks in certain agrarian sectors, order has been maintained, and the state of public peace and tranquility today is better than at any other time during the last forty years. When and wherever necessary, vigorous action has been taken to maintain the supremacy of the law.

These are but some of the accomplishments of the Commonwealth through the use of governmental instrumentalities which were already existing at the time of its inauguration. I now wish to refer to the important innovations in the policies of the government, the reasons for their adoption, the difficulties that have been met, and the extent of their effectuation.

First in importance is the program of national defense. You will recall that the first message of the



President to the National Assembly was entirely devoted to national defense. "In every other line of human endeavor", the President said in that message, referring to the Filipinos' uttermost lack of military preparation, "we have built, not only the foundations, but the framework and, in certain cases, even the edifice itself. But here, except for necessary law enforcement elements, not a stone has been laid." If the United States had trained some Filipinos for military service, it was only in an attempt to utilize some of the local men power in the maintenance of the American military establishment in the Islands. Think of the Philippines becoming independent after ten years with no defense establishment with which to guarantee her national integrity and security!

Even before the establishment of the Commonwealth, the President had the foresight to discuss with President Roosevelt the possibility of sending an American Military Mission to the Philippines and had obtained a promise from General Douglas MacArthur, then Chief of Staff of the American Army, one of America's outstanding soldiers of today, to head such a Mission. Under the plan that General MacArthur formulated and which is now in process of execution, we have trained the nucleus of our army and set up the machinery for the continued military instruction of officers and enlisted men. We have thus made great progress in our preparation for the defense of our independence and our territorial integrity. As one more step in the direction of national security we have just established the Department of National Defense with the Hon. Teofilo Sison as its first Secretary.

With the foundation of the national defense plan already laid, the administration next directed its effort to the formulation and the carrying out of a program of social justice. From the beginning it realized that the groundwork, the vital element in the national life, is the common man, and for this reason it has tried to elevate him to a higher level by all possible means. The objective of this policy is the dignification of the common man as a social unit by redeeming him from injustices and inequalities which have their origin in remote and obscure times. We are committed to the establishment and maintenance of a republican form of government, but if republics are to survive and endure, we must take care of the common man as the ultimate factor. The government must not only go to the masses but must extend to them its protecting hand.

The more fortunate portions of our people need not be alarmed at this policy. They have their own mission in the complex social machinery, which cannot be ignored. A genuine policy of social justice will never have the effect of favoring certain classes to the detriment of others. On the contrary, in raising and dignifying the less fortunate, we shall improve upon the whole of society with the resulting fruitful collaboration among different social groups and the consequent peace and general contentment of all the people.

So broad is the policy of social justice that its essence penetrates practically every governmental activity. Since the purpose is to elevate our masses educationally, socially, politically, and economically, every other governmental policy has been geared to



this objective. The messages of the President to the Assembly since 1936 iterate and reiterate his intense desire to enable the masses to reap their full share of the country's economic and social progress. "Sad to tell but it is none the less true . . .," he lamented in his message of October 18, 1937, "the men and women who till the soil or work in the factories are hardly better off now than they were during the Spanish regime." There were not and there still are not enough barrio schools, roads, and sanitary services. The masses, through indirect taxation paid the bulk of the income of the Government. Tenants and share-croppers in some of the great landed estates were being exploited through unfair deals, usury, and other impositions. Working conditions on the farms and in factories were not as they should have been and the wages paid were entirely out of proportion to the profits employers realized and to the increasing cost of living. Laborers' housing was inadequate and poor. In short, the task of nation-building focussed itself on the uplifting of the masses.

In his 1937 message, the President penetratingly appraised the deplorable situation of our masses and accepted the responsibility of improving their lot. "It was, of course, impossible for American administrators," he said, "to see and reach the lowest strata of our population. But now that the reins of government are in our hands insofar as our own domestic affairs are concerned, what excuse, what reasonable justification can there be in allowing such a social and economic order to continue?" The answer to his question came subsequently in a series of legislative enactments calculated to improve the condition of the



masses. Not only was the cedula tax abolished but the indirect or consumption levies like the sales tax and customs duties which were eventually collected from the ultimate consumers were modified or repealed. The new policy was announced by the President as follows:

"In the past, taxation has not been concerned with principles of justice and rarely has it been concerned with bettering the people. Rather it has sought only to produce revenues and to place the burdens on the backs of those least able to remonstrate . . . in the case of corporations, inheritance and income taxes the Government must bear in mind the need of reverting to the nation large amounts of wealth that may be accumulated in a few hands . . . It remains for us to parallel our achievements in the realm of political science by a similar achievement in the realm of economic and social justice."

Mainly to carry out the policy of social justice, the anti-usury campaign was intensified and the Tenancy Act was amended to secure the tenant's tenure in addition to protecting him from exploitation by the landlord. The Government itself assumed the leadership in the raising of wages by adopting a minimum wage scale for all laborers employed in public works. Meanwhile, the President directly appealed to private industry to follow the government's example. To settle labor-capital disputes amicably and expeditiously, the Court of Industrial Relations was organized. The transfer to Mindanao of at least 500,000 workingmen largely from the congested areas



was projected and started with an initial appropriation of P20,000,000. Some haciendas were taken over by the State to be subdivided and resold in small parcels to their tenants or to be operated on a coöperative basis. Healthful and adequately planned residential sites for workers, notably in the Diliman Estate and in Tondo in Manila, were provided. These are some of the steps which have been taken by the Commonwealth Government for the direct and immediate benefit of the laboring classes.

The social justice program is being carried out vigorously so as to free labor from the strangling grip of inhuman exploitation. Every effort has been made to give the laborers decent wages and to afford them living conditions which will make them feel secure, happy, and contented. But the government is not unmindful of the fact that these conditions of labor can only be attained if labor requirements are such that capital is not deprived of its just share and if the normal progress of agriculture, business, and industry is not unduly interfered with.

That this government has done more than its predecessors in this field is not a reflection against past administrations. It simply means that its predecessors undertook to attain certain political, economic, and social objectives as they saw and understood them; that times and conditions have changed and that the present government, because it is nearer to the people, has felt closer at heart their vital needs.

The problem of economic adjustment has been another extremely serious task. Adding to its difficult solution has been the necessity of depending upon the action of the American Congress on the ultimate

terms of Philippine-American trade relations. The reason for the necessity of overhauling the national economy is well known; Philippine industry and agriculture are so dependent on their free or preferential access to the American market that they must now be weaned away as a result of the threatened loss of this market incident to political independence. Either Philippine export must successfully hurdle the full American tariff or must seek new outlets elsewhere. As logical initial steps, the Commonwealth created the National Economic Council and at the same time strengthened the National Development Company. The National Rice and Corn Corporation was organized to stabilize the price of rice. Simultaneously, representations were made to the American Government for the liberalization of the economic terms of the Tydings-McDuffie Law.

Our planned economy is beginning to take definite shape along the lines indicated in the report of the Joint Preparatory Committee on Philippine Affairs. Activities toward economic readjustment are progressing in varying forms. It has taken the form of scientific research, as exemplified in the soil and crop survey, in more agricultural experiment and extension stations, and in the projected Science and Nutrition Institutes; of expansion of credit, as in the opening of the Agricultural and Industrial Bank; of the rehabilitation of old industries as in the creation of the abaca and other fibers corporation and the proposed coconut and tobacco corporations; of the industrialization of raw export products as in the development of new manufactures using coconut products and abaca fibers as raw materials; and the



expansion of the home market through the increased domestic consumption of local products. To reduce our production costs without impairing the standard of living of our people the Government proposes to organize associations for marketing and purchasing so that the small producers may adopt the same modern methods of production used by big producers, enabling them to market their products more advantageously and to reduce the price that they pay for their daily necessities. With these objectives in view, the new National Trading Corporation has been established and farmers' and consumers' coöperatives are being organized.

At this point, I desire to make a little digression in order to allay whatever fear might have been entertained by businessmen on account of the new policies of the Government under which certain industrial and commercial activities were undertaken by the National Development Company and other corporations of the Government. It is not the purpose of the Government to stifle private initiative in business. On the contrary, every encouragement has been and will be given to enable private enterprises to thrive. The Government will not supplant but rather will supplement private endeavor in business. It will only undertake activities of such national import as to make nationalization thereof imperative. To this class belongs the business of the Manila Railroad Company and of the National Power Corporation. As to other business enterprises, it will merely blaze the way by undertaking the establishment of industries considered essential to our economic setup and demanded by the general welfare of the people, which private capital is unable or unwilling to establish.



Neither should there be any fear on account of the taxation policies of the Government. The Government needs more revenues to take care of peremptory demands of the country such as the affording of opportunities for education to all children of school age and the preparations for national defense. But it will not go to the extent of "killing the goose that lays the golden eggs." The burden of taxation will be only such as can be borne by the taxpayers. Care will be taken so that capital will not be frightened to the point of hindering the normal growth of business.

There need be no misgivings, therefore, on the part of private capital. And I mean to refer to both local and foreign capital. We are cognizant of the fact that foreign capital has played an important role in the past in the development of this country and it is still needed in the furtherance of such development. We are fully aware that no country, not excepting the United States, has been able to develop without the aid of outside capital.

Our repeated petitions for the amendment of the economic provisions of the Tydings-McDuffie Act, which had remained unacted upon favorably until late last year, somewhat conditioned our success in our efforts to obtain economic adjustment. While the Joint Preparatory Committee on Philippine Affairs had recommended the modification of the export tax provision of the Tydings-McDuffie Act during the remaining years of the period of transition and the extension of Philippine-American trade preferences to 1960, the Congress left the matter of trade relations after independence for consideration at a future trade



conference to be held not later than 1944 but fortunately extended relief to our so-called borderline industries which could not have withstood the first impacts of the export tax.

Although the economic and social problems have drawn most of our attention, the Commonwealth has not neglected the improvement of the political basis of the coming Republic. This has been evident in the amendments to the Constitution proposed by the National Assembly. Regardless of the motives read into them by some people, the fact remains that the proposed amendments, upon which the electorate will pass in a few months, are intended to render the basis of our Government more stable. What is to be accomplished by these amendments, generally speaking, is the discarding of the constitutional innovations we have tried during the last four years restoring democratic instrumentalities which had been part of our political tradition, which have been tried and proven to be successful by the leading governments of the world, and which have more than ample justification in theory and in practice.

Neither has the Government neglected the spiritual and cultural advancement of our people in the conscious realization of the truism that the material greatness of a civilization may disappear under the inexorable action of time but that spiritual greatness, based on the high values of culture, has the attribute of immortality. The Commonwealth Government has accordingly taken steps of the most transcendental cultural and spiritual significance. It established, in the first place, the Institute of National Language for the purpose of adopting a common language based

on indigenous elements. I consider the development of a national language as of vital importance to our people. It will not only consolidate our national unity, but it will give to our people a most effective instrument for the diffusion of popular culture.

Another measure taken by the Government to promote cultural development is the opening of contests to reward the best works written by Filipinos in the several branches of literature. This policy will be a great encouragement to our literary men and, by giving an impetus to our cultural progress, may enable us to establish more fruitful cultural contacts with the rest of the world.

Although the accomplishments of the Commonwealth during its four years of existence have been substantial, many vital problems still remain to be solved during the next six years. I shall mention some of them. The national defense plan must be carried out with all the means at our command. The inevitable obsolescence of some types of arms and tactics that will result from the present wars will logically mean constant reshaping of our defense plans and modernization of our equipment. Likewise, the country should continue marching forward to achieve the desired economic and social equilibrium of our society. Further changes will have to be effected in the educational system: first, to bring about a greater emphasis on character training; secondly, to provide more adequate vocational instruction so that our young men and women may be competently equipped to help in the economic development of the country; and thirdly, to shape the educational system so that its cost may not be out of proportion



to the financial resources of the government. It has often been stated that the taxable wealth of the Philippines must be increased so that it will be capable of yielding a revenue sufficient for the support of an independent nation, militarily, diplomatically, and politically. Scientific and intensified agriculture must be promoted over an ever-widening area, and new industries must be created to meet our own needs, to substitute for inevitable reduction of exports, to afford a profitable outlet for capital, and to provide employment to our workingmen. The objectives of national security, uplifted and contented masses, and a richer and more stable economy, though on the way to attainment, will demand ever-increasing efforts before they are finally achieved.

The accomplishment of these objectives would be facilitated if the gospel of work is emphasized. Our citizens must be made to realize that they not only have rights to enjoy but, also, duties to perform. Hand in hand with the effort to educate them, we must preserve in their minds and souls the abiding faith of the race in freedom and independence. We must have greater and more evenly distributed material wealth so that our people may live in relative contentment and physical vigor and have a deeper attachment to home and country. Let us have a united people rich in material and physical endowments, socially conscious and law-abiding, loyal and contented, cultured and high in ideals, and fully confident of its capacity to attain an ever higher destiny. This should be our final objective.

I have endeavored to give you a kaleidoscopic view of what has been done and accomplished after



the establishment of the Commonwealth and of the important problems confronting our government. Allow me to say in closing that the Philippines has been wrought not by chance or accident. It is a country with its own history now welded into a compact and united whole by the sustained efforts of patient and self-sacrificing generations that labored at times under difficult and adverse conditions—those which test the temper and solidity of character of people and races—and at other times under favorable and auspicious circumstances. The Commonwealth Government, solidarily bound to that history formed by the past and the present and which throws out its light upon the ample perspective of the future, did not only respect and preserve the work of the past, where it must be respected and preserved, but endeavored to improve and enrich it in every way possible. The Commonwealth Government has done more than this. Considering itself heir of a great past and forerunner of a still greater future, it did not hesitate to experiment with new ideas and new plans, opening to the genius and to the energies of the nation new norms of conduct and new spheres of development. It may, therefore, be stated that the Commonwealth Government has been conservative, but at the same time, resolutely and audaciously progressive.

I believe that this policy will be pursued in the future with the same firmness and decision as it has been heretofore. Prudence counsels that the results so far achieved be solidly secured, by giving to the already established institutions such stability as will enable them to stand the test of time and of its vicis-



situdes. Without yielding to the temptation of utopic and dangerous panaceas, it is also necessary for us to accept the challenge of the future and of the progressive spirit of the times. By consolidating what has already been achieved and conquered, and at the same time by marching on resolutely, we shall insure the success of this gigantic work of spiritual and material reconstruction in which, under the auspices of the Commonwealth, we are engaged. This work is directed not only to clear and pave the transition path to 1946—the time set for independence—but mainly and above everything to assure the strength and stability of the Republic so that, once established, it shall not have a merely ephemeral existence, but be a lasting and permanent blessing for us and for our descendants.

